

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature <i>Siegfried Crandall P.C.</i>			Date	

Township of Lee
Allegan County, Michigan
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**
Year ended March 31, 2005

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INDEPENDENT AUDITORS' REPORT

**Township Board
Lee Township, Michigan**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lee Township, Michigan, as of March 31, 2005, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of Lee Township, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lee Township, Michigan, as of March 31, 2005, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 10, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of April 1, 2004.

The budgetary comparison information on pages 16 through 18, are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Township of Lee, Michigan has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.

Township Board
Lee Township, Michigan
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lee Township, Michigan, basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Siegfried Crandall P.C.

June 14, 2005

BASIC FINANCIAL STATEMENTS

Township of Lee
STATEMENT OF NET ASSETS
March 31, 2005

	<u>Governmental activities</u>
ASSETS	
Current assets:	
Cash	\$ 1,343,093
Receivables (net)	110,031
Prepaid expenses	<u>15,489</u>
Total current assets	<u>1,468,613</u>
Noncurrent assets:	
Receivables (net)	2,456
Capital assets (net of accumulated depreciation)	<u>641,937</u>
Total noncurrent assets	<u>644,393</u>
Total assets	<u>2,113,006</u>
LIABILITIES	
Current liabilities:	
Payables	<u>50,323</u>
NET ASSETS	
Invested in capital assets	641,937
Restricted for:	
Public safety	393,787
Public works	79,734
Health and welfare	95,178
Unrestricted	<u>852,047</u>
Total net assets	<u>\$ 2,062,683</u>

See notes to financial statements

Township of Lee
STATEMENT OF ACTIVITIES
Year ended March 31, 2005

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (expenses) revenues and changes in net assets</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	
Governmental activities:				
Legislative	\$ 5,256	\$ -	\$ -	\$ (5,256)
General government	187,475	8,956	-	(178,519)
Public safety	346,448	38,162	15,206	(293,080)
Public works	188,117	47,099	6,025	(134,993)
Culture and recreation	<u>6,715</u>	<u>-</u>	<u>-</u>	<u>(6,715)</u>
Total governmental activities	<u>\$ 734,011</u>	<u>\$ 94,217</u>	<u>\$ 21,231</u>	<u>(618,563)</u>
General revenues:				
Taxes				298,608
State grants				360,475
Investment income				17,529
Other				<u>1,154</u>
Total general revenues				<u>677,766</u>
Change in net assets				59,203
Net assets - beginning				<u>2,003,480</u>
Net assets - ending				<u>\$ 2,062,683</u>

See notes to financial statements

Township of Lee
BALANCE SHEET - governmental funds
 March 31, 2005

	<u>General</u>	<u>Fire</u>	<u>Total nonmajor governmental funds</u>	<u>Total governmental funds</u>
ASSETS				
Cash	\$ 893,150	\$ 224,252	\$ 225,691	\$ 1,343,093
Receivables	61,872	33,197	17,418	112,487
Due from other funds	<u>3,167</u>	<u>134,742</u>	<u>89,767</u>	<u>227,676</u>
Total assets	<u>\$ 958,189</u>	<u>\$ 392,191</u>	<u>\$ 332,876</u>	<u>\$ 1,683,256</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payables	\$ 30,232	\$ 6,990	\$ 13,101	\$ 50,323
Due to other funds	<u>224,509</u>	<u>-</u>	<u>3,167</u>	<u>227,676</u>
Total liabilities	<u>254,741</u>	<u>6,990</u>	<u>16,268</u>	<u>277,999</u>
Fund balances:				
Unreserved, undesignated	<u>703,448</u>	<u>385,201</u>	<u>316,608</u>	1,405,257
Total liabilities and fund balances	<u>\$ 958,189</u>	<u>\$ 392,191</u>	<u>\$ 332,876</u>	

Amounts reported for *governmental activities* in the statement of net assets (page 4) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds.

641,937

Prepaid expenses are not a current financial resource and, therefore, are not reported in the funds.

15,489

Net assets of *governmental activities*

\$ 2,062,683

See notes to financial statements

Township of Lee
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - governmental funds
Year ended March 31, 2005

	<u>General</u>	<u>Fire</u>	<u>Total nonmajor governmental funds</u>	<u>Total governmental funds</u>
REVENUES				
Taxes	\$ 67,091	\$ 167,939	\$ 63,578	\$ 298,608
Licenses and permits	31,461	-	-	31,461
State grants	366,500	-	-	366,500
Contributions from local units	-	15,206	-	15,206
Charges for services	28,414	-	-	28,414
Interest	8,879	3,958	4,692	17,529
Other	4,461	7	31,028	35,496
Total revenues	<u>506,806</u>	<u>187,110</u>	<u>99,298</u>	<u>793,214</u>
EXPENDITURES				
Legislative	5,256	-	-	5,256
General government	181,133	-	-	181,133
Public safety	187,412	64,834	-	252,246
Public works	144,593	-	37,569	182,162
Health and welfare	-	-	28,251	28,251
Culture and recreation	3,513	-	-	3,513
Capital outlay	13,396	188,250	-	201,646
Total expenditures	<u>535,303</u>	<u>253,084</u>	<u>65,820</u>	<u>854,207</u>
NET CHANGES IN FUND BALANCES	(28,497)	(65,974)	33,478	(60,993)
FUND BALANCES - BEGINNING	<u>731,945</u>	<u>451,175</u>	<u>283,130</u>	<u>1,466,250</u>
FUND BALANCES - ENDING	<u>\$ 703,448</u>	<u>\$ 385,201</u>	<u>\$ 316,608</u>	<u>\$ 1,405,257</u>

Net change in fund balances - total governmental funds \$ (60,993)

Amounts reported for *governmental activities* in the statement of activities (page 5) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays \$(198,745) exceeded depreciation \$(82,157) in the current period.

116,588

Prepaid expenses are not a current financial resource and, therefore, are not reported in the funds.

3,608

Change in net assets of *governmental activities*

\$ 59,203

See notes to financial statements

Township of Lee

STATEMENT OF FIDUCIARY NET ASSETS - *agency funds*

March 31, 2005

ASSETS

Cash	\$ <u>2,252</u>
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LIABILITIES

Payables	\$ <u>2,252</u>
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See notes to financial statements

Township of Lee
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Lee, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

a) Reporting entity:

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

b) Government-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

c) Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources, measurement focus, and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

Township of Lee
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) Measurement focus, basis of accounting, and financial statement presentation (continued):

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Fund accounts for the financial resources used for the operational costs of the Township fire protection functions. Revenues are primarily derived from property taxes.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB). The Township has elected not to follow subsequent private-sector standards.

The Township reports a single fiduciary fund, Agency Fund, which accounts for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

d) Assets, liabilities, and net assets or equity:

i) *Bank deposits* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) *Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) *Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

iv) *Capital assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

Township of Lee
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

d) *Assets, liabilities, and net assets or equity (continued):*

iv) *Capital assets (continued)*

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 - 60 years
Equipment	3 - 5 years
Vehicles	5 - 10 years
Water systems	50 years
Roads	10 - 30 years

v) *Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

vi) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is July 1, and, accordingly, the total levy is recognized as revenue in the current year.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year.

The following schedule set forth significant budget variations:

<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	Capital outlay	Capital outlay	\$ 9,500	\$ 13,396	\$ (3,896)
Lower Scott Lake	Public works	Lake management	30,000	37,569	(7,569)

NOTE 3 - CASH:

The Township's cash is as follows:

	<u>Governmental activities</u>	<u>Fiduciary</u>	<u>Total</u>
Cash	\$ 1,343,093	\$ 2,252	\$ 1,345,345

Township of Lee
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CASH (Continued):

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2005, the Township has deposits with a carrying amount of \$1,345,345 and a bank balance of \$1,388,260. Of the bank balance, \$405,742 is covered by federal depository insurance and \$982,518 is uninsured.

NOTE 4 - RECEIVABLES:

Receivables as of year end for the government's individual major and nonmajor funds, in the aggregate, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Special assessments</u>	<u>Inter- governmental</u>	<u>Total</u>
General	\$ 1,102	\$ 10,884	\$ -	\$ 49,886	\$ 61,872
Fire	-	33,197	-	-	33,197
Non-major governmental	<u>2,456</u>	<u>11,851</u>	<u>3,111</u>	<u>-</u>	<u>17,418</u>
Totals	<u>\$ 3,558</u>	<u>\$ 55,932</u>	<u>\$ 3,111</u>	<u>\$ 49,886</u>	<u>\$ 112,487</u>
Noncurrent portion	<u>\$ 2,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,456</u>

All receivables are considered fully collectible.

Township of Lee
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended March 31, 2005, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 15,627	\$ -	\$ -	\$ 15,627
Capital assets being depreciated:				
Land improvements	55,679	-	-	55,679
Buildings and improvements	140,108	-	-	140,108
Equipment	148,074	3,995	-	152,069
Vehicles	427,058	194,750	(50,000)	571,808
Water system	238,207	-	-	238,207
Subtotal	<u>1,009,126</u>	<u>198,745</u>	<u>(50,000)</u>	<u>1,157,871</u>
Less accumulated depreciation for:				
Land improvements	(24,123)	(3,712)	-	(27,835)
Buildings and improvements	(59,031)	(4,266)	-	(63,297)
Equipment	(77,048)	(23,705)	-	(100,753)
Vehicles	(315,381)	(44,519)	50,000	(309,900)
Water system	(23,821)	(5,955)	-	(29,776)
Subtotal	<u>(499,404)</u>	<u>(82,157)</u>	<u>50,000</u>	<u>(531,561)</u>
Total capital assets being depreciated (net)	<u>509,722</u>	<u>116,588</u>	<u>-</u>	<u>626,310</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 3,833
Public safety	69,167
Public works	5,955
Culture and recreation	<u>3,202</u>
Total governmental activities	<u>\$ 82,157</u>

Township of Lee
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - PAYABLES:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Other</u>	<u>Total</u>
General	\$ 25,246	\$ 4,986	\$ -	\$ 30,232
Fire	1,645	5,345	-	6,990
Non-major governmental	<u>1,183</u>	<u>1,530</u>	<u>10,388</u>	<u>13,101</u>
Total	<u>\$ 28,074</u>	<u>\$ 11,861</u>	<u>\$ 10,388</u>	<u>\$ 50,323</u>

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

At March 31, 2005, the composition of interfund balances is as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Fund</u>	<u>Payable</u>
General	<u>\$ 224,509</u>	Fire	\$ 134,742
		First Responders	62,528
		Lower Scott Lake	<u>27,239</u>
			224,509
Lower Scott Lake	1,764	General	<u>3,167</u>
Revolving Loan	<u>1,403</u>		
	<u>3,167</u>		
Total	<u>\$ 227,676</u>	Total	<u>\$ 227,676</u>

NOTE 8 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured, nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Township of Lee
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - CONSTRUCTION CODE ACT:

A summary of construction code enforcement transactions for the year ended March 31, 2005, is as follows:

Revenues	\$ 31,461
Expenses	<u>(32,631)</u>
Deficiency of revenues over expenses	<u>\$ (1,170)</u>

NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLES:

Effective April 1, 2004, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, along with all related statements and interpretations. In connection with the implementation of this statement, the following adjustments to beginning net assets have been made to reflect the cumulative effect of this accounting change in the governmental funds:

Net assets as previously reported	
General and special revenue funds	\$ 1,466,250
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	525,349
Prepaid expenses are not a current financial resources and, therefore, are not reported in the funds	<u>11,881</u>
Net assets, as restated	<u>\$ 2,003,480</u>

REQUIRED SUPPLEMENTARY INFORMATION

Township of Lee
BUDGETARY COMPARISON SCHEDULE - General Fund
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 51,921	\$ 51,921	\$ 67,091	\$ 15,170
Licenses and permits	45,000	45,000	31,461	(13,539)
State grants	364,762	364,762	366,500	1,738
Charges for services	27,285	27,285	28,414	1,129
Interest	4,000	4,000	8,879	4,879
Other	4,906	4,906	4,461	(445)
Total revenues	<u>497,874</u>	<u>497,874</u>	<u>506,806</u>	<u>8,932</u>
EXPENDITURES				
Legislative	<u>5,855</u>	<u>5,855</u>	<u>5,256</u>	<u>599</u>
General government:				
Supervisor	13,225	13,265	13,335	(70)
Election	8,900	8,000	6,275	1,725
Assessor	20,324	26,424	24,992	1,432
Clerk	17,455	17,995	17,585	410
Board of review	1,025	1,025	1,384	(359)
Treasurer	27,242	27,242	24,508	2,734
Hall and grounds	27,794	27,794	17,643	10,151
Cemetery	15,555	15,555	13,397	2,158
Other	43,900	69,460	62,014	7,446
Total general government	<u>175,420</u>	<u>206,760</u>	<u>181,133</u>	<u>25,627</u>
Public safety:				
Police	148,214	148,244	148,781	(537)
Building inspections	<u>51,700</u>	<u>51,700</u>	<u>38,631</u>	<u>13,069</u>
Total public safety	<u>199,914</u>	<u>199,944</u>	<u>187,412</u>	<u>12,532</u>
Public works:				
Highways and streets	65,950	93,995	93,815	180
Metro act	6,050	6,050	6,025	25
Street lights	4,007	4,007	4,066	(59)

Township of Lee**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued)				
Public works (continued):				
Transfer station	\$ 57,470	\$ 57,470	\$ 39,405	\$ 18,065
Drains	-	-	683	(683)
Water system	<u>1,100</u>	<u>1,100</u>	<u>599</u>	<u>501</u>
Total public works	<u>134,577</u>	<u>162,622</u>	<u>144,593</u>	<u>18,029</u>
Culture and recreation:				
Parks	2,970	2,970	2,285	685
Library	<u>2,760</u>	<u>2,760</u>	<u>1,228</u>	<u>1,532</u>
Total recreation and culture	<u>5,730</u>	<u>5,730</u>	<u>3,513</u>	<u>2,217</u>
Capital outlay	<u>-</u>	<u>9,500</u>	<u>13,396</u>	<u>(3,896)</u>
Total expenditures	<u>521,496</u>	<u>590,411</u>	<u>535,303</u>	<u>55,108</u>
NET CHANGE IN FUND BALANCE	(23,622)	(92,537)	(28,497)	64,040
FUND BALANCE - BEGINNING	<u>731,945</u>	<u>731,945</u>	<u>731,945</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 708,323</u>	<u>\$ 639,408</u>	<u>\$ 703,448</u>	<u>\$ 64,040</u>

Township of Lee
BUDGETARY COMPARISON SCHEDULE - Fire Fund
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 167,805	\$ 167,805	\$ 167,939	\$ 134
Contributions from local units	13,000	13,000	15,206	2,206
Interest	1,300	1,300	3,958	2,658
Other	100	100	7	(93)
Total revenues	<u>182,205</u>	<u>182,205</u>	<u>187,110</u>	<u>4,905</u>
EXPENDITURES				
Public safety	88,760	89,960	64,834	25,126
Capital outlay	<u>10,000</u>	<u>188,250</u>	<u>188,250</u>	<u>-</u>
Total expenditures	<u>98,760</u>	<u>278,210</u>	<u>253,084</u>	<u>25,126</u>
NET CHANGE IN FUND BALANCE	83,445	(96,005)	(65,974)	30,031
FUND BALANCE - BEGINNING	<u>451,175</u>	<u>451,175</u>	<u>451,175</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 534,620</u>	<u>\$ 355,170</u>	<u>\$ 385,201</u>	<u>\$ 30,031</u>

SUPPLEMENTARY INFORMATION

Township of Lee
COMBINING BALANCE SHEET - nonmajor governmental funds
 March 31, 2005

	<i>Special revenue funds</i>				
	<i>First Responder</i>	<i>Lower Scott Lake</i>	<i>Revolving Loan</i>	<i>Public Improvement</i>	<i>Total</i>
ASSETS					
Cash	\$ 23,126	\$ 51,148	\$ 9,335	\$ 142,082	\$ 225,691
Receivables	11,851	3,111	2,456	-	17,418
Due from other funds	62,528	27,239	-	-	89,767
Total assets	<u>\$ 97,505</u>	<u>\$ 81,498</u>	<u>\$ 11,791</u>	<u>\$ 142,082</u>	<u>\$ 332,876</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables	\$ 2,713	\$ -	\$ 10,388	\$ -	13,101
Due to other funds	-	1,764	1,403	-	3,167
Total liabilities	<u>2,713</u>	<u>1,764</u>	<u>11,791</u>	<u>-</u>	<u>16,268</u>
Fund balances:					
Unreserved, undesignated	<u>94,792</u>	<u>79,734</u>	<u>-</u>	<u>142,082</u>	<u>316,608</u>
Total liabilities and fund balances	<u>\$ 97,505</u>	<u>\$ 81,498</u>	<u>\$ 11,791</u>	<u>\$ 142,082</u>	<u>\$ 332,876</u>

Township of Lee

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - nonmajor governmental funds**

Year ended March 31, 2005

	Special revenue funds				
	<u>First Responder</u>	<u>Lower Scott Lake</u>	<u>Revolving Loan</u>	<u>Public Improvement</u>	<u>Total</u>
REVENUES					
Taxes	\$ 63,578	\$ -	\$ -	\$ -	\$ 63,578
Interest	467	627	-	3,598	4,692
Other - special assessments	678	30,350	-	-	31,028
Total revenue	<u>64,723</u>	<u>30,977</u>	<u>-</u>	<u>3,598</u>	<u>99,298</u>
EXPENDITURES					
Public works	-	37,569	-	-	37,569
Health and welfare	28,251	-	-	-	28,251
Total expenditures	<u>28,251</u>	<u>37,569</u>	<u>-</u>	<u>-</u>	<u>65,820</u>
NET CHANGES IN FUND BALANCES	36,472	(6,592)	-	3,598	33,478
FUND BALANCES - BEGINNING	<u>58,320</u>	<u>86,326</u>	<u>-</u>	<u>138,484</u>	<u>283,130</u>
FUND BALANCES - ENDING	<u>\$ 94,792</u>	<u>\$ 79,734</u>	<u>\$ -</u>	<u>\$ 142,082</u>	<u>\$ 316,608</u>